IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY APPLICATION No. 178 of 2007

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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PERMANENT MAGNETS LIMITED - Applicant(s)
Versus
. - Respondent(s)

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Appearance :
MRS SWATI SOPARKAR for Applicant(s) : 1,
None for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH

Date : 20/04/2007

ORAL JUDGMENT

Present Judges summons has been taken out by the applicant Permanent Magnets Ltd. (transferee company) for an appropriate order to direct to convene the meeting of the equity shareholders of the applicant

company to consider and/or approve with or without modification(s) the proposed scheme of arrangement in the nature of amalgamation of Taparia Magnetics Pvt. Ltd., Samapada Capital Services Ltd and Suyog Agencies with the applicant company.

It is also further prayed to dispense with the meeting of the preference shareholders of the applicant company to consider the aforesaid scheme of arrangement in view of the written approval in form of consent letters from all the preference shareholders of the applicant company.

2. Ms Swati Soparkar, learned advocate appearing on behalf of the applicant has drawn the attention of the Court to pages 56 to 59 (Annexure J to the application) and has submitted that all the preference shareholders of the applicant company have given their written approval in the form of consent letters approving the proposed scheme of arrangement. Therefore, it is requested to dispense with the meeting of the preference shareholders.

It has been further pointed out that all the transferor companies have their registered offices in the state of Maharashtra and hence the necessary proceedings are being taken out before the Bombay High Court.

3. Having procured and produced the written approval in the form of consent letters from all the preference shareholders of the applicant company to the proposed scheme of arrangement in the nature of

amalgamation of Taparia Magnetics Pvt. Ltd., Samapada Capital Services Ltd and Suyog Agencies with the applicant company, the meeting of the preference shareholders of the applicant company as required under section 391(2) of the Companies Act, 1956 is hereby dispensed with.

4. So far as direction to convene the meeting of the equity shareholders to consider the proposed scheme of arrangement is concerned, upon the application of the abovenamed company by summons dated 18-4-2007, upon hearing Ms Swati Soparkar, learned advocate for the applicant company and upon reading of the affidavit dated 16-4-2007 filed in support of the Judges' summons for directions and other relevant annexure attached in support of the contents of the affidavit filed by the deponent, it is ordered:

1. That a meeting of the equity shareholders of the applicant company shall be convened and held at Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 300 001, in the State of Gujarat on Saturday, the 2nd day of June 2007 at 2:00 p.m. for the purpose of considering and, if thought fit, approving, with or without modifications, the Scheme of Arrangement in the nature of amalgamation of Taparia Magnetics Pvt. Ltd., Samapada Capital Services Ltd and Suyog Agencies with the

applicant company as well as the preference shareholders of the applicant company.

2 That at least 21 clear days before the meetings be held as aforesaid, Notice convening the said meetings, indicating the day, the date, the place and the time as aforesaid, together with a copy of the Scheme of arrangement, copy of the Explanatory Statement required to be sent under Section 393 of the Companies Act, 1956 and the prescribed Form of Proxy shall be sent by a prepaid letter posted under Certificate of Posting, addressed to each of the equity shareholders of the applicant company, at their last known address.

3. That at least 21 clear days before the meetings to be held as aforesaid, Notice convening the said meetings indicating the day, the date, the place and time as aforesaid be published, stating that copies of the Scheme of Amalgamation, the Explanatory Statement required to be furnished pursuant to Section 393 of the Companies Act, 1956 and Form of Proxy can be obtained free of charge at the Registered Office of the applicant company and/or at its Advocate's office i.e.204, Akanksha, Opp-Vadilal House, Mithakhali, Navrangpura, Ahmedabad 380 009 once each in “Indian

Express", English daily and "Gujarat Samachar, Gujarati daily both Vadodara editions.

4. Mr. Shyam Sunder Taparia, the Managing Director of the applicant company and failing him Mr. Girish R. Desai, the Manager – Corporate Affairs of the applicant company shall be the Chairman of the aforesaid meetings to be held on 2nd June 2007 and in respect of any adjournment or adjournments thereof.

5. That the Chairman appointed for the aforesaid meetings do issue advertisements and send out notices of the said meetings referred to above. It is further directed that the Chairman of the meetings shall have all powers under Articles of Association of the applicant company and under the Companies (Court) Rules, 1959 in relation to conduct of meeting including an amendment to the scheme of resolution, if any, proposed at the meeting by any person(s) and to ascertain the decision of the meeting on a poll.

6. That the quorum shall be 5(five) shareholders present in person or by proxy.

7. That voting by proxy is permitted provided

that the proxy in the prescribed form and duly singed by the person entitled to attend and vote at the aforesaid meetings, or by his authorised representative, is filed with the applicant company at its registered office at Ahmedabad, not later than 48 hours before the said meetings.

8. That the value of the vote of each equity shareholder of the company shall be as per the entries in the Registers of the company and where the entries in the records or registers are disputed, the Chairman of the meetings shall determine the value or number for the purposes of the meetings and his decision in that behalf would be final.

9. That the Chairman do report to this court, the result of the said meetings within 14 days of the conclusion of the meetings and the said report shall be verified by his affidavit.

5. This application is accordingly disposed of.

(M.R. Shah, J.)

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